

REMARKS

Claims 1-5 and 9-20 were pending in the application following the last entered amendment (filed October 13, 2009). Herein, Applicant has canceled claims 1 and 12-14 and added replacement claims 21-34, which more clearly define the novel aspects of the claims. Claims 18-19, 21 and 31 are independent claims. Applicant respectfully submits that the claims as set forth herein are not obvious in view of the various automated teller machines ("ATMs") of the prior art upon which the Examiner relies. The claims as presented are allowable and reconsideration and allowance is respectfully requested.

CLAIM REJECTIONS

Rejections Under 35 USC § 103

The Examiner rejected previously-pending claims 7-11 and 19-26 under 35 U.S.C. 103(a) as being unpatentable over **Jones et al.** (US 6,363,164 B1) in view of **Ramachandran et al.** (US 6,941,274), and further in view of **Partyka et al.** (US 5,941,363), and further in view of **Morun** (US 5,566,807) and still further in view of **Billington et al** (US 6,390,269).

The Examiner rejected previously-pending claims 12-16 under 35 U.S.C. 103(a) as being unpatentable over **Jones et al.** in view of **Ramachandran, Partyka, Morun, and Billington et al**, and still further in view of **Katou et al.** (US 2004/0182677 A1).

The Examiner rejected previously-pending claims 17-18 under 35 U.S.C. 103(a) as being unpatentable over **Jones et al.** in view of **Ramachandran, Partyka**, and further in view of **Morun, Billington et al** and **Katou et al**, and still further in view of **Kolls** (US 6,601,037).

Applicant submitted the replacement claims 21-34 to more clearly distinguish the use and operation of Applicant's invention as an improvement to a note "recycler" used in or with a vending machine. Independent claim 18 as amended and replacement claim 21 each include the limitations that (a) at least some notes of one or more selected denominations that are inserted as payment in a vending transaction are routed to a note hopper, where notes are stored in dispensable fashion, rather than to a note box, where notes are stored in non-dispensable fashion, and (b) bills of the selected denominations may be "recycled" and dispensed as change, and (c)

at least part of the change dispensed by the vending machine in the vending transaction is a note (with the remainder of the change being coins from the coin acceptor/dispenser). The form in which change is dispensed for the vending transaction is determined by the vending machine controller, the note acceptor-dispenser and/or the coin acceptor/dispenser.

Such a combination of features is not found in the primary reference cited in rejecting the previously-pending claims. The ATM of **Jones** does not include any recycling. In addition, while the ATM of **Ramachandran** includes recycling, the structure employs a separate inlet and outlet to/from a single storage module, and is thus limited to accepting/dispensing currency of a single denomination (e.g., \$20) rather than selectively recycling notes of selected denominations (e.g., \$1 and \$5) while accepting and storing in non-dispensable fashion notes of other denominations (e.g., \$10 and \$20).

Amended independent claim 19 more clearly recites that the bill acceptor-dispenser accepts notes having a denomination greater than a value limitation imposed by a vending machine controller, and determines change based on a change amount signaled by the vending machine controller and an actual denomination of a note inserted. Such features are not found in the cited references.

Replacement claim 31 recites that notes are moved past the validator head when being dispensed as change, to identify denomination, and notes of the wrong denomination are moved to the note box rather than being dispensed as change. Such features are not found in the cited references.

In view of the above amendments and remarks, applicants respectfully request that the application be reconsidered and allowed, and that an early indication thereof be provided.

Please charge any deficiency in fees or credit any overpayments to Deposit Account No. 07-1896.

Respectfully submitted,

Dated: April 16, 2010

/David B. Abel/

David B. Abel Reg. No. 32,394

DLA Piper LLP (US)

1999 Avenue of the Stars, Suite 400

Los Angeles, California 90067-6023

Tel: (310) 595-3062

Fax: (310) 595-3362